

Exhibit C



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Administration on Children, Youth and Families
1250 Maryland Avenue, S.W.
Washington, D.C. 20024

OCT 29 2009

Mr. Don Thompson
Executive Director
Department of Human Services
P.O. Box 352
Jackson, MS 39205

RECEIVED

OCT 29 2009

By: Executive Director's
Office

Dear Mr. Thompson:

This letter is in response to your September 28, 2009 inquiry concerning the possible implications of a State voluntarily withdrawing from an approved Statewide Automated Child Welfare Information System (SACWIS) project. Our understanding is that Mississippi is not currently requesting a voluntary withdrawal from SACWIS, but would like to evaluate this option when conducting an alternatives and feasibility analysis. The outcome of this analysis would help determine a future course of action in the State's efforts to modernize its current child welfare information system.

We are providing the following guidance in response to your questions. This guidance should assist Mississippi in its appraisal of a new child welfare application.

- **What are the financial implications of voluntarily withdrawing from SACWIS project?**

The financial consequences of voluntarily withdrawing from a SACWIS project are delineated at 45 CFR 1355.56(b)(4). Assuming that the State is able to demonstrate that the overall investment in the system was beneficial, "all Federal incentive funds invested to date that exceed the normal administrative FFP rate (50 percent) will be subject to recoupment." Furthermore, all future maintenance and operations costs would be limited to the regular administrative match rate.

- **What would need to be repaid and how is it calculated?**

According to our financial records, the Mississippi project cost \$26.5 million to develop. Of this amount, \$4.6 million was approved at the 75 percent enhanced Federal match rate. The State was eligible to claim approximately \$3.4 million on the amount eligible for the 75 percent enhanced Federal match rate. Assuming that the State is able to demonstrate that the overall system investment was beneficial, the State would need to reimburse the difference between the \$3.4 million it was approved to receive at the 75 percent enhanced Federal match rate and the \$2.3 million that it could have received as a non-SACWIS expenditure. Therefore, should the State voluntarily withdraw from the SACWIS project, it

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would need to reimburse the Federal government approximately \$1.1 million. This figure does not include any claims beyond the \$3.4 million that was approved for this project.

- **Are there commonalities between the non-SACWIS States?**

We are unable to state definitively that there are common factors between the States that have elected not to implement a SACWIS application. However, most States that have elected not to implement a SACWIS have determined that the SACWIS model does not meet their business needs.

- **What are the pros and cons of implementing a SACWIS model versus implementing a non-SACWIS model?**

If a State implements a comprehensive statewide SACWIS application that meets all Federal requirements and support its program model; the Federal Government will pay a higher share of the cost to develop and operate the application. Once implemented, the State will have a comprehensive case management tool to support its business model and the work of its staff. Using a common framework to administer its program practice will help ensure consistency across the State and identify critical tasks that need to be completed. Furthermore, a SACWIS will provide a comprehensive view of a family's history with the State agency and help identify practices that work and causative factors that lead to negative consequences.

Conversely, if a State implements a SACWIS, it must adopt common application that may hinder local flexibility that would be allowed in a non-SACWIS model.

- **What are the Federal reporting requirements for a non-SACWIS?**

Federal data reporting requirements are the same regardless of the system model the State elects to implement. The Advance Planning Document (APD) process also applies to all systems that meet or exceed thresholds described at 45 CFR 95.611.

- **Is documentation from non-SACWIS States available?**

Our webpage (<http://www.acf.hhs.gov/programs/cb/systems/index.htm#sacwis>) identifies the status of other State SACWIS efforts, as well as provides pertinent Federal guidance. We encourage the State to contact the project staff in non-SACWIS States regarding specific project information.

Please be reminded that MACWIS has been classified as a non-SACWIS application since October 1, 2006 (reference numbers 072506MS and 040108MS). As a non-SACWIS, the State may request funding at the regular administrative match rate for system activities.

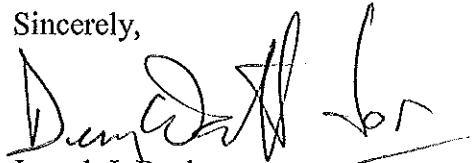
We remind the State that for this project, all Request for Proposals, contracts, contract amendments, change orders and task orders are covered by the Federal regulations delineated at 45 CFR 95.611 and may need to be submitted to Children's Bureau for prior approval unless

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otherwise exempted in writing. Both operational and developmental activities are covered under this regulation. We also remind the State to use an As Needed APD Update if the project schedule changes, new requirements evolve or additional requests for funding are necessary. The regulations at 45 CFR 95.605 identify when the APD process should be initiated.

Should you have any questions concerning this letter, please contact Mr. Terry Watt, Director, Division of State Systems on (202) 690-8177.

Sincerely,



Joseph J. Rocc
Acting Associate Commissioner
Children's Bureau

Reference: 092909MS

cc: Ruth Walker Regional Program Administrator, Region IV/ACF
Electronic Copy – Division of Program Implementation, CB/ACYF/ACF